

Stakeholder Comments Template

Submitted by	Company	Date Submitted
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Please use this template to provide your comments on the 2015 Interconnection Process Enhancements (IPE) Issue Paper/Straw Proposal for Topics 1- 11 that was posted on March 23, 2015 and as supplemented by the presentation and discussion during the March 30, 2015 stakeholder meeting.

Submit comments to initiativeComments@caiso.com

Comments are due April 10, 2015 by 5:00pm

The Issue Paper/Straw Proposal for Topics 1- 11 that was posted on March 23, 2015 may be found at:

http://www.caiso.com/Documents/IssuePaper-StrawProposal_InterconnectionProcessEnhancements2015.pdf

The presentation for the March 30, 2015 stakeholder meeting is available on the ISO website at: http://www.caiso.com/Documents/Agenda-Presentation-InterconnectionProcessEnhancements2015_IssuePaper-StrawProposal.pdf

For each topic, please select one of the following options to indicate your organization’s overall level of support for the CAISO’s proposal:

1. Fully support;
2. Support with qualification; or,
3. Oppose.

If you choose (1) please provide reasons for your support. If you choose (2) please describe your qualifications or specific modifications that would allow you to fully support the proposal. If you choose (3) please explain why you oppose the proposal.

Topic 1 – Affected Systems

CESA supports this proposal with qualifications. CESA generally agrees with LSA and CalWEA that the Affected Systems process could be further enhanced by a more coordinated process with clearly defined reciprocity agreements between the CAISO and the potentially affected systems.

Topic 2 – Time-In-Queue Limitations

CESA supports this proposal with qualifications. Interconnection Customers (“ICs”) should be allowed to extend CODs if necessary without losing deliverability status if they mitigate impacts on later queued projects; for example, through funding network upgrades in a timely manner that are the cost responsibility of the IC. In addition, the time limitation should be extended to match the longest lead network upgrades in the interconnection agreement.

Topic 3– Negotiation of Generator Interconnection Agreements

CESA supports the timeline portion of the proposal with substantial qualifications. While we support the concept of more flexibility in the timeline for interconnection agreements (IAs) to be executed based on the needs of the IC, the practical reality is that, while some ICs do not need IAs negotiated quickly, other ICs require negotiated/executed IAs in order for projects to remain viable. For example, many ICs require negotiated IAs to have enough cost certainty to negotiate/execute PPAs. ICs may also need IAs in order for project development capital to be released. The uncertainty that could be created by postponing IA negotiation in circumstances where the IC needs to have an executed IA could be problematic for projects.

CESA opposes the CAISO proposing to allow the CAISO or PTOs to declare an impasse in negotiating IAs. IOUs already have sufficient leverage in the interconnection process to negotiate for terms that they wish to include in IAs, and there is a substantial amount of subjectivity and unilateral contract amendments that PTOs and the ISO can already add to IAs without much leverage by the IC to negotiate. The ability of an IC – and only an IC – to declare an impasse in the process is one of the few tools at an IC’s disposal to bring leverage to an IA negotiation.

Topic 4 -Deposits

Interconnection Request Study Deposits

Limited Operation Study Deposit***Modification Deposits******Repowering Deposits***

CESA supports the CAISO's proposal for deposits for limited operation studies, modifications, and repowering.

However, CESA opposes the significant increase to interconnection request study deposits without additional changes to the study process to enable aggregated distributed energy resources (DERs) to apply for FCDS under a single interconnection request. While CESA recognizes that this process technically applies to transmission-connected resources, FCDS is still a process that DERs frequently desire, and the RA for DG process does not always provide the certainty that such projects wish to have for contracting as wholesale market resources. While the Governor's policies continue to encourage greater adoption of DERs – and policies at the CPUC are being designed to reflect that – a move to increase the study deposit requirements for small generators without concurrently adding a process to study aggregated DERs under a single interconnection request moves in the opposite direction by creating additional barriers for DERs to be cost competitive.

Topic 5 - Stand-Alone Network Upgrades and Self-Build Option

CESA supports this proposal, but reserves the right for additional comment in the future.

Topic 6 - Allowable Modifications Between Phase I and Phase II Study Results

CESA supports this proposal, but reserves the right for additional comment in the future.

Topic 7 – Conditions for Issuance of Study Reports

CESA supports this proposal with significant qualifications. Specifically, the process should clarify that ICs should be allowed to mitigate material impacts on PTOs by taking cost responsibility for cost increases as a result of modifications. CESA also agrees with CalWEA that cost increases due to modifications triggered by PTOs should not be deemed “material” and should not be the cost responsibility of ICs.

Topic 8 - Generator Interconnection Agreement Insurance

CESA takes no position on this issue, but reserves the right to do so in the future.

Topic 9 -Interconnection Financial Security

Process Clarifications

Posting Clarification

CESA believes the CAISO should clarify what constitutes a “substantial” error or omission that warrants a change to posting dates. Otherwise, CESA takes no position on these process clarifications at this time but reserves the right to do so in the future.

Topic 10 - Forfeiture of Funds for Withdrawal During Downsizing Process

CESA supports these proposed changes.

Topic 11 –TP Deliverability Option B Clarifications

CESA takes no position on these proposed changes at this time, but reserves the right to do so in the future.